

## Economic Development

**Objective: To promote the economic growth of San Antonio's creative economy.**

### *Develop San Antonio's Creative Economy*

The Cultural Collaborative is founded in part on the observation that San Antonio's creative economy is an important and under-recognized economic sector, and that the community as a whole will benefit from development of the sector. At the beginning of

the process, the TCC Steering Committee identified planning for the creative sector of San Antonio's economy as a priority. TCC's opening event, the November 2003 Finding Ways Conference, featured economist Dr. Richard Florida as its keynote speaker. Florida's central thesis is that cities with stronger creative communities are more economically competitive. Investing in a vibrant cultural infrastructure helps attract and retain creative individuals and businesses that contribute to the local economy.

*"Our success as a city is all about promoting imagination and creativity."*

*Community Forum Participant*

#### ***Who is in the "Creative Economy"?***

*Creative individuals* include visual artists, performing artists, media artists, film makers, arts educators, craftspeople, designers, architects, writers, production technicians, volunteers and others.

*Creative business* include advertising, marketing, architecture, design, digital media, music and dance clubs, art galleries, art-related retail stores, film production and post-production, art-related printing, live theatres, festivals and others.

*Creative nonprofits* include all types of arts and cultural organizations, historical and heritage organizations, professional and volunteer associations, arts-related departments within a college or university, and others.

Other recent research extends this idea farther—the creative sector is a significant growth industry that has been little understood and has lacked the benefit of economic development planning. For example, The Creative Economy Initiative's 2000 study, The Role of the Arts and Culture in New England's Economic Competitiveness, documents the scope and growth of that region's "creative cluster" within its overall economy: 3.5% of the region's total workforce is employed by the creative economy; the occupations that comprise this sector are growing at a rate of 14% as compared to 8% in New England overall; and it generates \$6.6 billion dollars in tourism revenue alone.

"Through our research we can see that there is a "Creative Economy" in New England that is made up of both nonprofit and commercial sectors, as well as a significant population of individuals engaged in or trained in artistic or cultural fields. This creative economy is a fundamental component of our regional economic environment. Our research also supports a new way of looking at the arts and culture as an industry cluster in much the same way as

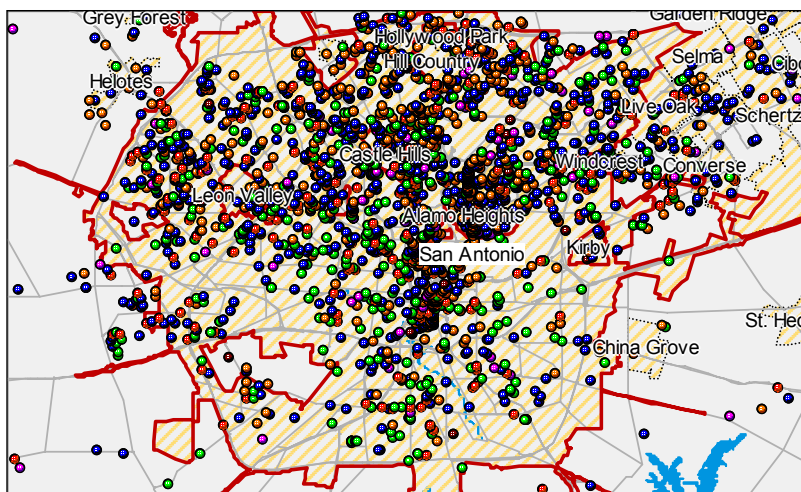
we view the financial services and technology industry clusters, among others. With this new information, we will be able to create and leverage extraordinary opportunities for collaborations that extend well beyond what is traditionally perceived as the “cultural community” to include business and government. The results will benefit every economic sector across New England.”

That study led to the creation by New England’s regional chamber of commerce of a strategic economic development plan for its creative economy.

Focusing on the creative sector fits with San Antonio’s overall economic development strategies. San Antonio’s 2004 Strategic Plan for Enhanced Economic Development adopts a fundamental strategy of strengthening existing targeted industries. It also seeks to identify and focus on industries that possess the greatest potential for steady economic growth and a positive return on the community’s investment.

San Antonio’s creative sector has that potential. The preliminary results of an economic impact study of the creative sector conducted by Drs. Richard Butler and Mary Stefl, of Trinity University, show a total annual output of approximately \$3.4 billion and total employment of approximately 22,000 jobs. This means that San Antonio’s creative sector has an economic impact comparable to other local industries targeted for economic development.

The Butler/Stefl study is corroborated in part by a second analysis of San Antonio’s creative community, conducted in 2004 by Americans for the Arts, based on data from Dun & Bradstreet.



*There are at least 2,010 arts-related businesses throughout San Antonio.*

This study identifies 2,010 arts-related businesses (including nonprofits), located throughout the city, that employ 10,411 people. Americans for the Arts notes that these figures are probably low, because the data on which the study is based does not count all arts nonprofits in the community.

The results of the Butler/Stefl study align with other national and local studies that have thoroughly documented the economic impact of this economic sector. Taken together, they demonstrate that the creative economy is more than a supporting player for other sectors of the economy. Americans for the Arts 2004 study, Creative Industries: Business & Employment in the Arts, shows that the arts—nonprofit and for-profit—account for 4.3% of all U.S. businesses and 2.2% of all U.S. employees. Americans for the Arts 2002 study, Arts & Economic Prosperity, documented that U.S. nonprofit arts organizations alone are a \$134 billion industry that generates tax revenues equal to eight times total government spending on the arts. It also showed a 45% growth in output between 1992 and 2000.

*“The City of San Antonio needs to recognize the cultural industry as an economic engine.”*

*Community Forum participant*

The City has already initiated an effort to develop the local creative community, through the San Antonio Technology Accelerator Initiative (SATAI), a successful business incubator. In 2004, SATAI created a Digital Media Cluster to help support that portion of the creative community.

TCC participants identified several issues for economic development of San Antonio’s creative sector:

- Small business development
- Workforce development
- Supporting creative individuals
- Developing cultural districts
- Expanding cultural and heritage tourism

#### *Support Small Business Development*

Creative businesses tend to be small businesses, ones that have basic needs for training, networking and access to capital. Still, the challenge of meeting these needs involves addressing the specialized backgrounds and requirements of the people who comprise the creative sector. The craftsperson selling artisan jewelry in a street fair or storefront gallery is typically an “arts person” who has more likely been educated at arts school rather than business school, and whose interest in, and understanding of, marketing may well be limited. The small entertainment software firm, with only a handful of employees, was probably founded by computer gamers and “geeks” who are successful by virtue of their creative passion and specialized expertise, not because of their business training. Similarly, banks and venture

*“What is the core business of the City? Are we doing this? Are we doing it well? The City has a critical role in cultural development as an important economic generator.”*

*Creative Business Executive*

capitalists are often unfamiliar with the risks and potential rewards of these enterprises. Small business development must aim to develop skills, mutual understanding and new relationships that nurture the ecology of the creative sector. The success of these businesses is important to San Antonio's economy not only for their direct fiscal impact, but also, as Dr. Richard Florida asserts, because of their contribution to a creative and diverse community environment that is the seed bed of the creative sector.

#### *Support Workforce Development*

Workforce development, like small business development, is a fundamental economic development strategy. San Antonio currently has a number of college-level programs in creative fields, such as UTSA's rapidly growing Architecture Department. Aligning San Antonio's educational programs with the needs of its creative sector is a long-term strategy that benefits the educational institution as well as the creative community. This strategy is already in practice in San Antonio, through such initiatives as discussions between UTSA and SATAI to enhance digital media education at UTSA. Workforce development can begin at the high school level, as is currently done in San Antonio with academies that pair high schools with corporations in specific industries. It can also be supported by arts and cultural education incorporated into the elementary, middle and high school curriculum. Accordingly, involving economic development representation in initiatives to enhance arts and cultural education will strengthen the efforts of both.

#### *Support Creative Individuals*

The creative sector is populated by creative individuals, people who have specialized expertise in the arts or cultural fields. A key characteristic is the high level of their education, whether formal or informal. Lifelong learning is not only a part of the culture of the creative community, it is also a professional necessity. "Creatives" by nature are continually evolving and forging new directions and interests. This makes support for the creative individuals in the creative sector an important strategy for economic development.

Support for creative individuals includes aspects of workforce development, such as ongoing professional training and learning experiences. It also includes support for artists in the form of fellowships for the creation of new work and other support services that foster a continually-evolving and well-networked arts and cultural community, including the many volunteers that support local arts and cultural programs.

#### *Develop Cultural Districts*

San Antonio currently has several vibrant cultural districts, such as South Town, that capitalize on the community's unique built

*"I have personal memories of the theater district on Houston. We were far better than we thought we were and we need to reclaim that."*

*TCC Review Focus Group participant*

environment, heritage and artistic output. It also has additional areas with the potential to become cultural districts or less formal cultural zones. TCC planning participants spoke about the value of cultural places in the city, and the ways in which these places serve related community needs. Cultural districts provide a public meeting ground for the community, they are an economic generator and they help keep creative people in San Antonio. They can serve tourists, as well as residents, and offer a more genuine experience than a “tourist zone.” Cultural districts are also a powerful tool for historic preservation and revitalization, two longstanding priorities in San Antonio.

### *Expand Cultural and Heritage Tourism*

Cultural and heritage tourism is now a well-established and well-understood strategy for economic development. The cultural traveler offers many advantages to the tourism industry, staying longer and spending far more than the average tourist, and sometimes filling off-peak time periods. Cultural tourism also offers the prospect of converting day visitors into overnight visitors and encouraging visitors to move beyond the Riverwalk into other downtown areas (including HemisFair Park) and into the neighborhoods.

*“Cultural tourism must begin with those things that define or identify our community.”*

*Community Forum participant*

Cultural tourism is also an integral strategy of San Antonio’s competitor and benchmark cities, such as New Orleans. San Antonio has rich cultural and historic resources that currently enhance its tourism and the city ranks highest among comparable cities for these attractions. Historic sites are currently the third-highest reason, behind general sight-seeing and theme parks, for visitors’ decisions to come to San Antonio. San Antonio’s festivals are already a major draw. The Convention and Visitors’ Bureau currently has no distinct cultural tourism program or budget but agency staff plan to create one and to reshape the community’s brand to better reflect and capitalize on its unique cultural identity.

San Antonio has a strong financial incentive to expand cultural tourism, since tourism is directly related to the Convention and Visitors Facilities Fund (“hotel occupancy tax”). Because of the greater average spending of the cultural traveler, cultural tourism programs can result in significant increases in tax revenues.

Cultural and heritage tourism offers benefits to the creative community as well. Businesses, nonprofit organizations and events that appeal and can be made accessible to tourists can realize gains in attendance, exposure and even contributions. It is important to note, however, that tourism programs require the development of mutual understanding among cultural organizations, the tourism industry and the managers of the program. For example, arts organizations often need to reshape programs and make other

*“San Antonio must expand its visitor zone beyond the Riverwalk and the Alamo.”*

*Community Forum participant*

changes to enhance the visitor's experience. Tourism businesses must learn the requirements and limits of cultural events and organizations. Ongoing communication, planning and negotiation are required to forge a "win-win" program.

TCC planning participants articulated another hope for cultural and heritage tourism. As discussed in the Authenticity and Creativity section (page **Error! Bookmark not defined.**), there was ample discussion of the desire to present a more authentic face of San Antonio to the visitor. Properly done, cultural and heritage tourism can highlight and support the most authentic and, therefore, desirable aspects of San Antonio, the ones that residents value most.

### ***Economic Development Strategies***

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#### ***14. Provide small business assistance targeted at creative businesses, including sole proprietorships.***

Creative businesses are typically small businesses. Small business assistance, adapted to meet the needs of creative businesses and individuals, is a powerful tactic for economic growth within the sector:

- Create a nonprofit incubator to manage the business affairs of creative businesses and provide business training; the incubator should also assist emerging nonprofit arts and cultural organizations.
- Establish a business training program for creative businesses, modeled on SATAI.
- Develop and enhance programs that provide access to capital and credit for small creative businesses.

Lead Agency: EDD, in partnership with OCA and San Antonio Inc. Additional partners could include SATAI, South Texas Business Fund, chambers of commerce, UTSA Institute for Economic Development, ACCION Texas, Community Development Loan Fund and the Nonprofit Resource Center.

Begins: 2007/08

Resources: Staff resources, plus program funding to be determined through strategic planning

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#### ***15. Support the education and development of the creative workforce.***

Workforce development should address the specific needs of the creative sector, including training in creative fields, arts and cultural education (K – 12), and ongoing professional

development. Specific strategies should be developed through strategic planning and should include:

- Leverage elementary schools, middle schools, high schools and higher education institutions to provide programs that develop a future creative workforce to grow and sustain the creative sector.
- Develop a high school Creative Industry Academy, modeled on existing academies (e.g., Information Technology & Security Academy, Alamo Area Aerospace Academy and Manufacturing Technology Academy), that pairs magnet schools with local creative businesses.
- Work with local school districts, PTAs and education committees to enhance the arts education at the K-12 level.
- Support the securing of flagship status (i.e., Tier I Doctoral/Research Extensive Status) for the University of Texas at San Antonio.
- Facilitate the creation and expansion of degree programs in creative fields at local colleges, universities and arts and cultural organizations; also, lifelong learning programs, including mentorships, apprenticeships and other non-traditional learning arrangements.
- Support the expansion of local culinary arts programs.

Lead Agency: EDD and OCA, in partnership with local school districts, local Parent-Teacher Associations, University of Texas at San Antonio, St. Mary's University, Trinity University, University of the Incarnate Word, Our Lady of the Lake University, Alamo Community College District, San Antonio, Inc., St. Philips College, Southwest School of Arts and Crafts, Arts Education Task Force (CASA) and other local arts and cultural organizations

Begins: 2007/08

Resources: Staff resources, plus program funding to be determined through strategic planning

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***16. Support the development of existing and emerging cultural districts or zones in areas such as the Houston Street area, South Flores, South Town, Guadalupe Street, the Deco District, Napolitos Street, Midtown on Blanco, South Presa Street and the Carver Community Cultural Center District.***

Cultural districts develop organically around the natural gathering of cultural activity in certain areas of a city. Cultural districts with highly successful programming already exist to varying degrees in some areas of San Antonio, such as South Town and First Friday. OCA and the Planning Department, in consultation with representative San Antonio artists, should lead research and community planning efforts to explore specific potentials for augmenting

existing and emerging cultural districts. This planning should include the less formal structure of a cultural zone. It should also identify next steps for such issues as designation, signage, structure, funding, programming and marketing.

Lead Agency: OCA, Planning Department, CVB, Downtown Alliance, Public Works, Economic Development Department, VIA, Neighborhood Action Department, Downtown Advisory Board, Chambers of Commerce, individual artists and representatives of creative businesses. May require City Council and/or Bexar County Commissioners Court action.

Begins: 2007/08

Resources Needed: Staff resources for planning

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**17. Create a program of fellowships for individual artists of all disciplines in San Antonio.**

Fellowships for individual artists will support for the creation of new work by San Antonio artists and serve to develop and promote the creative sector. OCA should administer the fellowship program and arrange for exhibition of work created by fellows. Fellowships should be awarded on a competitive basis by peer review, with a transparent and equitable selection process.

Lead Agency: OCA. May require City Council action.

Begins: 2007/08

Resources Needed: \$50,000 annually for fellowships plus related program expense, such as exhibition, marketing and catalogue

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**18. Develop support services for San Antonio's individual artists, including networking opportunities, information and referral services, a resource directory, professional development training, and leadership development.**

A thriving creative community requires support services that inform and connect the artists and other creative individuals in the community. OCA should provide or arrange these services, partnering with other organizations to avoid duplication.

Lead Agency: OCA, with potential partners such as the Nonprofit Resource Center and CASA's Arts Education Task Force

Begins: 2007/08



Resources Needed: Staff resources, plus related program expenses, including \$25,000 annually for professional and leadership development

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**19. Re-institute and enhance the Catalog of On-Site Artist Services (COSAS), the directory of San Antonio artists and craftspersons marketed to local architects and design firms.**

In 2001 the Public Art and Design Enhancement Program published the Catalogue of On-Site Artists Services (COSAS), an attractive and well-designed directory of San Antonio artists and craftspersons who design and fabricate unique stone, metal, tile, surface, and wood crafts for the built environment. This catalogue was distributed to San Antonio architects, landscape architects and other designers to assist them in identifying artists to incorporate in their projects. This represented a relatively low-cost method of providing local artists and craftspersons with exposure in the design community. While the original COSAS directory exists on-line, it is not updated; OCA should restart and broaden the scope of this program and re-publish both the internet and print version of the catalogue. Also, marketing of COSAS should be expanded beyond the design community to include developers, real estate agents and home buyers. In the long term, COSAS could evolve into an annual trade show and/or showroom.

Lead Agency: OCA  
Timeline: 2006/07  
Resources: \$30,000 for selection process, design and printing of catalogue; staff resources

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**20. Create a cultural and heritage tourism program within CVB designed to promote San Antonio's cultural assets and identity, move visitors beyond current zones, and encourage visitation in neighborhoods.**

This program should be developed following completion of the plan described in the following recommendation.

CVB should create a broadly-based committee to advise the cultural and heritage tourism program, including CVB, OCA, Economic Development Department, International Affairs Department, Film Commission, arts and cultural organizations and other relevant stakeholders.

CVB should also develop a matching grants program for arts and cultural organizations to fund marketing expenses related to the goals of the cultural and heritage tourism program.

Lead Agency: CVB, in partnership with OCA, Economic Development Department, International Affairs Department, Film Commission, arts and cultural organizations and other relevant stakeholders

Begins: 2005/06

Resources: Staff resources, plus related program expenses for marketing, product development, etc.

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**21. Develop a cultural and heritage tourism plan to inform the goals, structure and operations of the new cultural and heritage tourism program.**

CVB should undertake a formal planning effort for the cultural and heritage tourism program, based on this TCC plan and the existing research done by CVB. The tourism plan should address fundamental issues such as vision and authentic identity, as well as tactical issues.

Lead Agency: CVB

Begins: 2006/07

Resources: \$75,000 plus staff resources

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**22. Identify and pursue other economic growth opportunities within San Antonio's creative economy.**

There are additional economic growth opportunities for the creative economy, many of which are already identified in San Antonio's 2004 *Strategic Plan for Enhanced Economic Development*:

- Conduct an economic impact study of the creative industry and conduct a cluster analysis of the creative industry.
- Conduct a census of the creative community, building on existing data bases and lists, to serve as a communications and research tool.
- Include The Cultural Collaborative as a member of the Economic Roundtable.
- Enhance efforts to recruit, expand, and retain targeted businesses.
- Create an Arts and Culture Committee in partnership with chambers of commerce.
- Implement the San Antonio Technology Accelerator Initiative action plans, particularly with respect to fostering the growth of the digital media cluster.
- Identify, support, and champion public/private investments in infrastructure, such as programs and facilities, necessary to support the growth of the creative sector.

Lead Agency: EDD, in partnership with OCA and San Antonio Inc. Additional partners could include the Greater San Antonio Chamber of Commerce, SATAI, CVB, San Antonio Area Tourism Council and representatives of creative businesses

Begins: Immediate (Economic Impact Study is underway)

Resources: Staff resources

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**23. Coordinate the efforts to develop the creative economy.**

The scope of economic development initiatives recommended in this plan is large and will require oversight to:

- Coordinate economic development efforts through The Cultural Collaborative and San Antonio, Inc.
- Establish performance measures to track and promote results of the aforementioned initiatives.
- Ensure reporting and accountability of the partner commitments to the economic development of the creative sector through reporting at The Cultural Collaborative and San Antonio, Inc. conferences.

Lead Agency: TCC, San Antonio, Inc., EDD and OCA. May require City Council and/or Bexar County Commissioners Court action.

Begins: 2005/06

***CROSS-REFERENCES***

***Other strategies that apply to the Economic Development objective:***

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Resources: Staff resources

